

Hobbies

Don't put the mortgage money on a flip of the coin market

By Roger Boye

Today's column answers more questions from Chicago Tribune readers.

Q—Some "junk mail" says a rare-coin investment will give me the opportunity to turn \$5,000 into \$10,000 in less than 18 months and that the marketplace "has gone berserk" with prices rocketing upwards. The 12-page flier touts certain types of U. S. quarters made between 1815 and 1828 as the best investment of 1990. Is this promotion a scam or is there fast money to be made?

R. N., Wilmette

A—"Junk" says it all! A few skilled investors have made huge, quick profits in rare coins. But many more people get taken by buying overgraded coins at inflated prices. Most pros say that rarities must be held at least five years before the buyer begins to show a profit. Even then, there's no guarantee that prices will go up.

Remember, the Federal Trade

Commission warns that there's a great deal of risk in coin investments, despite statements to the contrary. If you're not knowledgeable about coins, you could lose all or most of your investment, according to the FTC.

Q—I received a 1988 nickel with a grooved edge—like a quarter—rather than a normal, smooth edge. Is it special?

G. B., Macomb

A—Someone working in a machine shop probably doctored your coin, because it's virtually impossible for the government to make a nickel with a reeded (grooved) edge.

Incidentally, Uncle Sam originally grooved coins to prevent shysters from shaving precious metal from the edges of gold and silver pieces and then spending the coins.

Q—I understand that during one year Roosevelt dimes were made with gold. Where can I buy one?

F. K., Oak Park

A—Nowhere, because no such coins exist. Some persons have

plated dimes with gold, but the metal in such coins is almost worthless.

Q—For years my family has owned a \$5 coin the size of a quarter that reads, "California Gold, 1852." Is it rare?

J. B., Rockford

A—It could be worth \$2,000 or more if it's genuine. But some experts say that at least 100 fake California gold pieces exist today for every one authentic specimen.

Private companies issued such money during the California gold rush to relieve shortages of government coins. Thousands have also been produced for souvenirs or to fool collectors.

Congress outlawed private coinage in 1864.

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As many as 40 dealers will sell old coins and other money-related collectibles next Saturday and Sunday at the annual show of the Mundelein Coin Club. Hours are 10 a. m. to 4 p. m. each day at the Mundelein Holiday Inn near the intersection of U. S. Highway

45 and State Route 83.

Also next Sunday, another 20 dealers will do business at the annual show of the Schaumburg

Numismatic Society from 9 a. m. to 4 p. m. at the Holiday Inn of Itasca, 860 W. Irving Park Rd. Admission is free to both shows.